

treasure.\*<sup>1</sup> While the new governor of the bank, Herr Havenstein,<sup>3</sup> declared it to be his unalterable purpose to maintain the gold standard, the government felt compelled to take several measures to allay the growing uneasiness. One of these was the appointment of a commission, chosen from among economists and representatives of the commercial classes, to examine into questions relating to the extension of the bank charter, the increase of the limit of untaxed issues, the extension of the check and clearing system, and the methods of drawing gold into the bank from abroad and from the domestic circulation.<sup>8</sup> Other measures were the enactment of a code governing the use of checks and the increase of the *per capita* stock of subsidiary silver. Already the bank, under the sanction of a law of February 20, 1906, had begun the issue of notes for fifty marks (\$1.90) and twenty marks (\$4.76), in order to draw into the vaults of the bank an equivalent amount of gold.<sup>4</sup> Of these new notes 139,286,100 marks of the larger denomination and 151,157,180 marks of the smaller were already in circulation at the close of 1907.<sup>5</sup>

The rate of discount charged by the Bank of Germany, including its earlier career as the Bank of Prussia, averaged barely over four and a quarter per cent, from 1845 to 1900\*. The highest average for a decade was 4.60 per cent., from 1865 to 1874, — the period of the wars with Austria and France,—and the lowest was 3.65 per cent., from 1885 to 1894. These averages, however, do not represent the extreme fluctuations. The rate of nine per cent, prevailed

<sup>1</sup> *Journal des Économistes*, Jan. 17, 1908, XXXIII, 69.

<sup>3</sup> The new governor in January, 1908, succeeded Dr. Koch who\* after passing through various grades in the old Bank of Prussia and the Imperial Bank, had been governor of the latter since 1890.— *London Statist.*, December 14, 1907, I/X.

\* *London Economist*, January 18, 1908, LXVI., 122. The first sitting of the commission was on May 1, 1908. — *Moniteur des Intérêts Matériels*, May 5, 1908, 1492.

<sup>4</sup> *Bulletin de Statistique*, February, 1906, LIX., 178.

<sup>5</sup> *Ibid.*, April, 1908, LXIII, 178.